

LEASE AGREEMENT  
BETWEEN  
SOLAR BUILDING ASSOCIATES, INC.  
AND  
MONTGOMERY COUNTY, MARYLAND

DATED: July 25, 1998

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LEASE AGREEMENT

THIS LEASE, made and executed this 25th day of July 1994, by and between SOLAR BUILDING ASSOCIATES, INC., a corporation, having an office at 1010 Sherbrook Street W., Suite 2100, Montreal, Quebec, Canada H3A2R7, hereinafter referred to as "Landlord", and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic, having an office at 110 North Washington Street, Rockville, Maryland, 20850, hereinafter referred to as "Tenant".

WITNESSETH:

That for and in consideration of the rents herein reserved and the agreements and covenants herein contained, Landlord and Tenant agree as follows:

1. PREMISES: Landlord does hereby Lease to the Tenant, and Tenant does hereby Lease from the Landlord the premises described as 1335 Piccard Drive, Rockville, Maryland, containing 27,500 square feet on two floors (hereinafter referred to as the "Leased Premises"). The Leased Premises shall include the building, walkways and parking lot.

2. TERM: The term of this Lease shall be ten (10) years. The term, and Tenant's obligation to pay rent, shall commence upon Landlord's delivery and Tenant's acceptance of the Leased Premises for occupancy (the "Rent or Lease Commencement Date").

Delivery of Leased Premises: When Landlord has substantially completed the Leased Premises in accord with the plans and specifications for tenant improvements set forth in Exhibits A and B attached hereto and made a part hereof (the "Tenant Improvements") and has obtained a valid Use and Occupancy Permit, Landlord shall notify Tenant in writing. Tenant shall inspect the Leased Premises within seven (7) working days.

The term "Substantial Completion" shall mean that the Tenant Improvements and all other things necessary for the Tenant's access to, and occupancy, possession, use and enjoyment of, the Leased Premises, as provided for in the Lease, have been completed or obtained satisfactory to the Tenant, excepting only such minor punchlist items that do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.

Acceptance of Leased Premises: Tenant shall be obligated to accept the Leased Premises upon the occurrence of all of the following: (1) Substantial Completion; (2) the issuance of a valid Use and Occupancy Permit; and (3) delivery of the Leased Premises. Acceptance shall be subject only to minor punchlist items. The punchlist items identified by the Tenant shall be completed within thirty (30) calendar days of acceptance.

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In the event Tenant makes any changes to the Plans and Specifications attached hereto as Exhibits A and B and such changes cause a delay in Landlord's meeting the construction schedule, attached hereto as Exhibit C, the Rent Commencement Date shall be retroactively adjusted by one day for each day of the Tenant caused delay.

Delay: The parties recognize and acknowledge the construction schedule (the "Construction Schedule") attached to the Lease as Exhibit C. Neither Landlord nor Tenant shall be responsible for delays in meeting the Construction Schedule caused by delays by governmental agencies in approving permits required for the construction of the Tenant Improvements.

The period beginning on the Lease Commencement Date and ending on the last day of the twelfth full calendar month next succeeding the Lease Commencement Date shall constitute the first Lease Year as used herein, and each successive period of twelve months thereafter shall constitute a Lease Year.

3. BASE RENT: Tenant covenants and agrees to pay annual base rent during the term of this Lease, payable by Tenant in equal monthly installments, in advance, on or before the first day of each month, to and at the offices of Solar Building Associates, Inc., 1010 Sherbrook Street W., Suite 2100, Montreal, Quebec, Canada H3A2R7, or at such other place designated by Landlord, without prior demand therefore, and without any deduction or set-off whatsoever, in the annual amount in U.S. Dollars of FOUR HUNDRED THREE THOUSAND NINE HUNDRED SEVENTY-FIVE AND 00/100 (\$403,975.00) DOLLARS, payable in equal monthly installments of THIRTY THREE THOUSAND SIX HUNDRED SIXTY-FOUR and 58/100 (\$33,664.58) DOLLARS as adjusted by Paragraph 4 below. The Rent Commencement Date shall coincide with the Lease Commencement Date as set forth in Paragraph 2 hereinabove.

4. RENT ADJUSTMENT: It is agreed between the parties that the base rent payable by the Tenant as set forth in Paragraph 3 hereinabove shall be adjusted at the beginning of the second (2nd) lease year, and each year thereafter, based on an increase of three percent (3%) of the previous year's base rent.

5. REAL ESTATE TAXES:

(A). Commencing with the second Lease Year, and every Lease Year thereafter, the Landlord shall forward to the Tenant a statement and copies of paid tax receipts setting forth the amount of Real Estate Taxes (as hereinafter defined) levied or imposed against the land and improvements of which the Leased Premises are a part. The Tenant shall pay to the Landlord as additional rent, upon receipt of the Landlord's statement and receipts, but in no event more than 30 days after receipt of Landlord's statement and receipts, any increase in the said Real Estate Taxes over the Real Estate taxes assessed against the land and improvements of which the Leased Premises are a part during the "Base Year". The Base Year is hereby defined to be the period from July 1, 1994 through June 30, 1995 or July 1, 1995 to June 30, 1996, whichever assessment is the lower of

the two base years it being understood that the Base Year figure will not include any amount which represents an increase in the assessed value of the premises as a result of the Tenant improvements as herein described. The Landlord's statement shall contain copies of Real Estate Tax billings for the Base Year as well as the tax year for which the payment is required.

(B). The term "Real Estate Taxes" shall be deemed to mean all property taxes and assessments, general and special, levied or imposed by appropriate taxing authorities with respect to the land, building and improvements of which the Leased Premises are a part. If the system of real estate taxation shall be altered or varied or any new tax or levy shall be levied or imposed on said land, buildings and improvements by an appropriate taxing authority, the new tax or levy shall be included within the term "Real Estate Taxes".

6. SERVICES:

(A). Landlord, at Landlord's sole expense, shall provide all maintenance, repair and replacement of building and mechanical equipment, including but not limited to building fixtures, roof, electrical systems, heating and air conditioning systems, plumbing systems and any other building element, whether it be located within or outside the Leased Premises, and whether it constitutes a structural or non-structural building feature. The Landlord, at the Landlord's sole expense, shall be responsible for full service maintenance and repair of the Leased Premises, provided, however, that Landlord shall not be responsible for the repair of the Leased Premises, due to the negligence of Tenant, its employees, guests, invitees and licensees.

(B). Landlord, at Landlord's sole expense, shall provide regular janitorial services appropriate for a health clinic within the Leased Premises, Monday through Friday, after 5 P.M., and shall provide lavatory supplies, fluorescent tube and light bulb replacement, refuse removal, and pest control services as required. Landlord shall no more often than once during each Lease Year, upon thirty (30) days notice from Tenant, clean the carpeting in the Leased Premises, without cost to Tenant.

(C). Landlord, at Landlord's sole expense, shall provide grounds maintenance including grass mowing, mulching and trimming of shrubbery and trees, gutter cleaning and light bulb replacement.

(D). Landlord shall provide electrical current to the Leased Premises at all times, and shall provide heat and air conditioning to the Leased Premises during those seasons of the year when such services are required, from 8:00 A.M. until 6:00 P.M., Monday through Saturday, exclusive of legal County, State or Federal holidays, in amounts sufficient to maintain the temperature within the Leased Premises in a balanced, comfortable manner.

(E). Tenant shall be responsible for the payment of all utilities including but not limited to gas, water and electricity.



7. USE: Tenant shall use the Leased Premises as a Health Clinic and general offices of the Montgomery County Government. Tenant shall continuously conduct the business above stated in the Leased Premises. Tenant will not use or permit the use of the Leased Premises for any other business or purpose without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

8. CONDITION OF PREMISES: The 27,500 square feet of Leased Premises shall be built out by the Landlord for the Tenant in accordance with the plans and specifications approved by the parties which are referred to as Exhibit A and B attached hereto and made a part hereof. Landlord and Tenant agree that any additional work requested by Tenant subsequent to the work delineated on Exhibit B, shall be performed by Landlord at Tenant's sole expense. In the event the additional work increases the time for the delivery of the Leased Premises, the Landlord shall be entitled to additional time for delivery of the premises. Tenant agrees to pay for such additional work after Landlord completes the work, delivers premises to Tenant and submits billing therefor to Tenant. Tenant shall make such payment not later than thirty (30) days after receipt of the billing from Landlord and upon approval by the Tenant for work satisfactorily completed. Notwithstanding the above, in the event Tenant requests that costs for additional work be amortized, the amortized cost shall include the cost of financing.

9. CONSTRUCTION: The Landlord, at Landlord's sole cost and expense, pursuant to the tenant-approved Plans to be attached hereto as Exhibit A, prior to the Rent Commencement Date, shall substantially complete all items of interior construction within the Leased Premises as shown on the Plans, as well as the Base Building improvements which shall include but not be limited to the following:

- (A) Elevator and structural modifications
- (B) 56 Perimeter air conditioning units
- (C) Canopy over exterior fire stair (fire resistant canvas over metal frame)
- (D) Bathroom expansion and upgrade for ADA
- (E) Front entrance concrete ramp
- (F) Roof replacement
- (G) Window repair - including removal of solar film and security tape
- (H) Removal of non-complying plenum wire or piping
- (I) Light fixture replacement due to roof leaks
- (J) Other ADA items
  - (i) Three (3) curb cuts for sidewalk ramp
  - (ii) Extension of sidewalk ten (10) linear feet
  - (iii) Re-stripe parking for handicapped
- (K) Replace two inch (2") venetian blinds with one inch (1") blinds to match majority of building.
- (L) Clean ceiling grids, lights and air registers
- (M) Paint existing window air conditioning units

- (N) HVAC filters and clean up
- (O) Remove existing electric panels, transformers and disconnects located in tenant space
- (P) Fire alarm system (if required)
- (Q) Landlord will provide HVAC and perimeter air conditioning units in good operating condition.

10. PARKING:

(A). Landlord agrees to maintain the parking ratio of 3.5 parking spaces per 1,000 square feet of leased space (at least 96 parking spaces) throughout the lease term. These spaces will be available to Tenant free of charge. However, the configuration of the parking area is subject to changes at the Landlord's sole discretion, in order to build additional development. In no event shall Tenant's parking spaces be located off-site.

(B). All parking areas and facilities furnished by Landlord including employee parking areas, pedestrian sidewalks and ramps, landscaped areas, exterior stairways, and other areas and improvements which may be provided by Landlord for the use of the Tenant, its officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this paragraph.

(C). Landlord shall, at Landlord's expense, maintain all parking areas in a good state of repair throughout the term of this Lease and any extension hereof, and Landlord shall remove and/or treat snow and ice conditions in any parking areas and access roads, sidewalks or ramps, within a reasonable amount of time, and as it becomes necessary in order to keep the parking areas and access thereto free of snow and ice during the business hours as designated in Paragraph 6 (D).

11. ALTERATIONS: Tenant shall not make any modifications, alterations, improvements or changes to the Leased Premises during the term of this Lease without prior written approval from the Landlord. Such consent shall not unreasonably be withheld. However, it shall not be unreasonable for the Landlord to withhold its consent where the proposed modifications, alterations, improvements or changes (1) would adversely affect the Landlord's ability to lease, sell, or use the Leased Premises subsequent to the expiration or termination of the Lease, or (2) would require changes to structural elements of the Leased Premises. Landlord agrees that it shall not unreasonably withhold its consent to any proposed interior nonstructural modifications, alterations, improvements or changes to the Leased Premises. Any such approved alterations, improvements, modifications, or changes shall be performed by the Landlord's contractor or Tenant's contractor (with the approval of Landlord which approval shall not be unreasonably withheld), at the Tenant's sole cost and expense. If Landlord requires either architectural plans or a full set of construction drawings, Tenant shall provide said plans for Landlord's approval at Tenant's cost. Landlord reserves the right to stop any work in progress which is not in compliance with the approved plan and/or all building codes. If, upon completion of such work, Landlord's inspection of the Leased



Premises reveals work not done in accordance with the approved plans and specifications and/or all building codes, Tenant agrees to have the work corrected to comply with the approved plans and specifications and/or building codes, at Tenant's expense. In the event Tenant fails to correct the non-conforming work in a reasonable length of time, Landlord shall have the right to correct the non-conforming work at reasonable expense to Tenant. All alterations, installations, changes, replacements, additions to or improvements including "wall-to-wall" carpet, upon the Leased Premises (whether with or without Landlord's consent), shall at the election of Landlord remain upon the Leased Premises and be surrendered with the Leased Premises at the expiration of this Lease without disturbance, molestation, or injury. At least sixty (60) days before the expiration of this Lease or any renewal hereof, the Landlord must notify Tenant in writing of its election to have the Tenant's improvements remain or be removed. If Landlord fails to notify Tenant of its election, Landlord shall be deemed to have elected to have the Tenant's improvements remain and Tenant will not be responsible for the removal of such improvements. Should Landlord elect that alterations, installations, changes, replacements, additions to or improvements made by Tenant upon the Leased Premises during the term of this Lease be removed upon termination of this Lease or upon termination of any renewal period hereof, the Tenant hereby agrees to cause same to be removed at the Tenant's sole cost and expense and should Tenant fail to remove the same, then and in such event the Landlord may cause same to be removed at Tenant's expense and Tenant hereby agrees to reimburse Landlord as additional rental for the reasonable cost of such removal together with any and all damages which Landlord may suffer and sustain by reason of the failure of Tenant to remove the same.

12. ASSIGNMENT AND SUBLEASING: Tenant will not sublet the Leased Premises or any part thereof or transfer possession or occupancy thereof to any person, firm, or corporation or transfer or assign this Lease without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, nor shall any subletting or assignment hereof be effected by operation of law or otherwise without the prior written consent of Landlord. In the event Tenant desires to sublet all or a part of the Leased Premises, Tenant shall give to Landlord thirty (30) days' written notice of Tenant's intention so to do. If the assignment or sublet is approved by Landlord, the Tenant will remain secondarily liable to Landlord for all rent, base and additional.

13. LIABILITY:

(A). Tenant shall obtain and maintain, during the full term of this agreement and any extension thereof, a policy of general liability insurance with bodily injury limits of TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS per claim and property damage FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS per occurrence.

Tenant shall deliver to Landlord a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days from execution of this agreement. Tenant agrees that any insurance policies obtained by Tenant toward the fulfillment of its insurance requirements as set forth hereinabove shall contain a provision that the insurer shall not cancel the insurance policy

without first providing Landlord ten (10) days prior written notice of any such cancellation. Tenant reserves the right to self insure.

With regard to assignment and subleasing of the premises or any part thereof by Tenant, the requirements of this paragraph are amended to read: Assignee or Sublessee shall obtain and maintain, during the full term of this (assignment or sublease) agreement and any extension thereof, a policy of general liability insurance with bodily injury and property damage limits of ONE MILLION (\$1,000,000) DOLLARS per occurrence.

(B). Prohibited Activities & Storage on Premises: Tenant will not do or permit anything to be done in the Leased Premises or bring or keep anything therein which shall in any way increase the rate of fire or other insurance on said building, or on the property kept therein, or conflict with the fire laws or regulations, or with any insurance policy upon said building or with any statutes, rules or regulations enacted or established by the appropriate governmental authorities. The Tenant will not use or permit the Leased Premises or any part thereof to be used for any disorderly, unlawful or extra hazardous purpose nor for any other purpose than hereinbefore specified; and will not manufacture any commodity therein, without the prior written consent of the Landlord. All medical waste shall be disposed of at Tenant's expense in accordance with all applicable laws and regulations.

(C). Personal Property: All personal property of the Tenant and its employees, guests, invitees and licensees in the Leased Premises shall be and remain at the sole risk of Tenant. Landlord shall not be liable for any loss of or damage to property of Tenant resulting from the use or operation of elevators, the heating, cooling, electrical or plumbing apparatus, or from water, steam, theft or other causes, other than damages resulting from Landlord's willful or negligent acts or omissions.

(D). Liability: Landlord assumes no liability or responsibility whatsoever with respect to the conduct and operation of the business to be conducted in the Leased Premises by Tenant. Landlord shall not be liable for any accident to or injury to any person or persons or damage to property in or about the Leased Premises which may result from the conduct or operation of Tenant's business or which involve equipment or property of Tenant in said premises. Tenant agrees to hold Landlord harmless and indemnify the Landlord against all such claims.

14. GOOD ORDER AND REPAIR: Tenant covenants and agrees to maintain the Leased Premises in good order and condition, and surrender the same at the expiration or other termination hereof in the same order and condition in which they were received from Landlord at the Commencement Date, usual wear and tear and damage by fire, storm, public enemies and any other risks with respect to which Tenant is not herein made expressly liable excepted.

15. FURNITURE AND FIXTURES: Tenant shall have the privilege of installing in the Leased Premises any furniture and fixtures necessary in the conduct of Tenant's business, and the same shall remain the property of Tenant provided they are removed by Tenant before the expiration



of this agreement or any renewal or extension thereof. In the event any damage is done to the Leased Premises in the installation or removal of said furniture and fixtures, Tenant will immediately make such repairs as are necessary to restore the Leased Premises to their condition as of the Commencement Date, or promptly reimburse the Landlord for the reasonable cost of such repairs. In the event that the Tenant fails to remove any personal property from the Leased Premises at the termination or other expiration of the term hereof, any such property shall become property of the Landlord, and it will be disposed of as the Landlord sees fit.

16. LIENS: Tenant expressly covenants and agrees that it will, during the term hereof, promptly remove or release, by the posting of a bond or otherwise, as required or permitted by law, any lien attached to said premises or any portion thereof by reason of any act or omission on the part of Tenant, and hereby expressly agrees to save and hold harmless the Landlord from and against any such lien or claim of lien. In the event any such lien does attach, or any claim of lien is made against said Leased Premises, which may be occasioned by any act or omission of the Tenant, and shall not be thus released within sixty (60) days after notice thereof, Landlord, in its sole discretion (but nothing herein contained shall be construed as requiring it so to do), may pay and discharge the said lien and relieve the said Leased Premises from any such lien, and Tenant agrees to pay and reimburse Landlord upon demand for or on account of any expense which may be incurred by Landlord in discharging such lien or claim, which reimbursement shall include the maximum legal interest rate per annum from the date such lien is paid by Landlord until the date Landlord is reimbursed by Tenant, or, the Landlord, at the Landlord's election, may insist that the Tenant remove any such lien at the Tenant's expense, and if any such lien is not removed within a reasonable period of time, the Landlord may terminate this Lease in accordance with the provisions of Paragraph 18 hereof. Payment or measures taken to release any such lien shall not act as an admission of liability by Tenant for such lien.

17. LANDLORD'S INSPECTION RIGHTS: Landlord shall have the right at all reasonable times to enter upon the Leased Premises for the purpose of inspecting same or making necessary repairs provided such entry does not unreasonably interfere with Tenants use and occupancy. Landlord shall have the further right during the last six (6) months of the Lease term to bring prospective tenants into the Leased Premises for the purpose of showing same upon such terms as provided herein above.

18. DEFAULT:

(A). By Tenant: In the event that the rent, additional rent, taxes, alterations, or any other obligation involving the payment of money, or any installment thereof, shall remain unpaid after it becomes due and payable, within ten (10) days after written notice to the Tenant for same, or if Tenant or Tenant's assigns shall fail or neglect to keep and perform each and every one of the remainder of the terms of this Lease, and such failure or neglect continues for more than thirty (30) days (or such shorter or longer period as may reasonably be required to correct the default in an

emergency or other situation with exercise of due diligence), after written notice from the Landlord specifying the default, or if Tenant shall vacate or abandon the Leased Premises, then at the option of the Landlord, the Tenant's right of possession shall thereupon end and the Landlord or Landlord's assigns may, at Landlord's option, terminate this Lease and/or reenter and remove all persons and property, and proceed to recover possession under the laws of the State of Maryland, and seek any other remedy to which Landlord may be entitled under this agreement and under the laws of the State of Maryland. In the event of such re-entry by process of law or otherwise, the Tenant nevertheless agrees to remain answerable for any and all damage, deficiency or loss of rent which the Landlord may sustain by such re-entry, including reasonable attorney's fees and court costs; and in such case, the Landlord reserves full power, which is hereby acceded to by the Tenant, to relet the said premises for the benefit of the Tenant, in liquidation and discharge, in whole or in part, as the case may be, of the liability of the Tenant under the terms and provisions of this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease. Notwithstanding the foregoing, failure by the County Council to appropriate any funds for a lease for a Rockville-Gaithersburg Health Center shall not constitute a default of this Lease. The County Executive will include funds for this Lease in his recommended budget to the County Council. The Landlord's remedies in the event the County Council fails to appropriate any funds due hereunder is to: (a) terminate this Lease as of the date the County Council failed to appropriate any amounts due hereunder; and (b) request reimbursement of a percentage of Landlord's total cost of Tenant improvements, as set forth in Paragraph 28 herein.

(B). By Landlord: If the Landlord or Landlord's assigns shall fail or neglect to keep and perform each and every one of Landlord's covenants, conditions, and agreements as contained herein, and such failure or neglect is not remedied within thirty (30) days (or such shorter or longer period as may reasonably be required to correct the default in an emergency or other situation with exercise of due diligence) after written notice from the Tenant or Tenant's assigns specifying the default, then the Tenant or Tenant's assigns, at Tenant's option, may terminate this Lease and/or pursue any legal remedies available to Tenant under the laws of the State of Maryland. In the event of Landlord's default, Landlord agrees to pay Tenant's reasonable attorney's fees and court costs in enforcing this Lease.

(C). In the event that proceedings shall at any time be commenced for recovery of possession as aforesaid and a compromise or settlement shall be effected either before or after judgment whereby Tenant shall be permitted to retain possession of said premises, then such proceedings shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof or of this agreement.



(D). In the event the Landlord exercises its right as a result of a Default under the terms of this Lease, then the Tenant shall pay the unamortized costs of the Tenant Improvements as per Paragraph 28 herein.

19. EMINENT DOMAIN:

(A). If at any time after the Rent or Lease Commencement Date of this Lease, as the aggregate result of one or more takings by eminent domain, the net useable area of the Leased Premises shall be reduced by any amount, Tenant may, at the Tenant's option, terminate this Lease by written notice to Landlord given not more than thirty (30) days from the date title rests in the condemning authority.

(B). Should Tenant elect to remain in possession of the Leased Premises after any takings by eminent domain, the monthly rent shall be reduced to reflect that proportion of the Leased Premises to which Tenant is denied normal occupancy as a result of the taking, and Tenant's pro-rata share shall be appropriately adjusted.

(C). Landlord reserves, and Tenant hereby assigns to Landlord, all rights to damages accruing on account of any taking by eminent domain of the Leased Premises or the leased fee hereby created.

(D). Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the building or the fee of the Leased Premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business or leasehold interest by reason of the condemnation and for or on account of any cost or loss which Tenant may incur as a result of the taking by eminent domain.

20. DAMAGE TO PREMISES: In the event of damage to or destruction of the Leased Premises or any part thereof by fire, storm, flood or other casualty, which does not require Tenant to suspend entirely its business, Landlord shall, as soon as practicable after said damage or destruction, repair and restore the Leased Premises to the condition they were in immediately prior to said damage or destruction, and in this event, the fixed annual minimum rent shall be abated proportionately as to the portion of the Leased Premises rendered untenable, during the period in which the Leased Premises remain untenable. Should such damage or destruction of said premises or any part thereof render the Leased Premises wholly untenable, Landlord will promptly begin and diligently pursue the repairing, restoration and rebuilding of the Leased Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as Landlord, with Tenant's approval, may determine. If repair, restoration or rebuilding requires more than 135 days to complete, then Landlord or Tenant, at their election, may terminate this Lease and the tenancy hereby created by giving the other, within sixty (60) days following the

date of such occurrence, written notice of their election to terminate, and in the event of such termination, rent shall be adjusted as of such date.

21. SUBORDINATION:

(A). Tenant hereby agrees that this Lease and the terms and provisions thereof shall be subject and subordinate to the lien, terms, and provisions of any mortgage or deed of trust (including a mortgage or deed of trust by virtue of this or other subordination) heretofore or hereafter placed upon or affecting the real property of which the Leased Premises form a part, to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any supplementary security documents involving mortgage or deed of trust loan proceeds. This clause shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute that documentation as necessary pursuant to Paragraph 22A. In the event of any foreclosure sale or sales under or to enforce any mortgage or deed of trust, Tenant shall not be evicted from the Leased Premises, nor shall Tenant's leasehold estate under this Lease be terminated or disturbed, nor shall any of Tenant's rights under this Lease be affected in any way, by reason of any default under such mortgage or deed of trust, provided that at the time of any such foreclosure sale or sales, Tenant is not then in default hereunder.

(B). In the event that the Landlord under any ground or underlying Leases, the holder of any mortgage or the beneficiary of any deed of trust now or hereafter affecting such Leases or the real property of which the Leased Premises form a part, or any foreclosure purchaser pursuant to such mortgage or deed of trust or any of their respective successors or assigns shall succeed to the right of Landlord under this Lease, whether through possession, delivery of a new lease or foreclosure action or sale, Tenant shall recognize such successor as Landlord under this Lease and shall promptly execute and deliver any instrument that may be necessary to evidence such a recognition, and this lease shall continue in full force and effect as a direct lease between such successor Landlord and Tenant, upon and subject to all terms, covenants and conditions of this Lease.

22. STATUS OF PERFORMANCE:

(A). Recognizing that both parties may find it necessary to establish to third parties, such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, either party, on the reasonable written request of one to the other made from time to time, will promptly furnish a written statement on the status of any matter pertaining to this Lease.

(B). At any time within ten (10) days after such request is made, the Tenant shall execute, acknowledge and deliver to Landlord a certificate evidencing whether or not:

- (i). This Lease is in full force and effect;
- (ii). This Lease has been amended in any way;
- (iii). There are any existing defaults hereunder to the knowledge of Tenant and specifying the nature of such defaults, if any; and
- (iv). The date to which rent has been paid.



23. SURRENDER AND HOLDING OVER:

(A). At the termination of the tenancy hereby created, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon the Lease Commencement Date, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. Tenant shall remove all its trade fixtures, decorations and any unapproved alterations, improvements, decorations or additions which Landlord requests Tenant to remove (in accordance with Paragraph 11). Before surrendering the Leased Premises as aforesaid, Tenant shall repair any damage to the Leased Premises caused by the removal of any alterations, improvements, trade fixtures, decorations or additions. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease. In the event Landlord requests Tenant to remove fixtures or other such items left by Tenant at the expiration of this Lease, or should Tenant fail to make necessary repairs to restore the Leased Premises to substantially the same condition as they were in upon commencement of this Lease, said fixtures, alterations, improvements, decorations and additions or other items shall become the property of Landlord who may remove said fixtures and/or make necessary repairs, the reasonable cost of which shall be borne by Tenant.

(B). In the event that Tenant shall hold over after the expiration of this Lease, the tenancy thus created shall be deemed to be on a month to month basis, and shall be governed by the terms of this Lease, provided, however, that each party shall have the right to terminate the month-to-month tenancy by providing to the other thirty (30) days' written notice of the election to so terminate.

24. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the parties hereto that Landlord and Tenant, as their interests may appear and at their respective expense, shall promptly comply with, observe and perform all of the requirements of all the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government or Montgomery County Fire Marshal's Office.

25. NOTICE OF DEFECTS: Tenant agrees to give Landlord prompt notice of any defects or breakage in the structure, equipment or fixtures of said premises.

26. LANDLORD NOT A PARTNER: It is expressly understood that Landlord shall not be construed or held to be a partner or associate of the Tenant in the conduct of Tenant's business. The relationship between the parties hereto is and shall remain at all times that of Landlord and Tenant.

27. LANDLORD'S TITLE AND COVENANT OF QUIET ENJOYMENT: Landlord covenants that it has full right and power to execute and perform this Lease, and that, subject to the terms and conditions of this Lease, it shall continue to provide Tenant with complete, and exclusive possession of the Leased Premises. Landlord further covenants that Tenant, on paying the rents reserved herein and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the Leased Premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining, during the full term of this Lease, and any extension or renewals hereof.

28. TERMINATION FEE: This Lease shall not be terminated during the Lease Term except as outlined in Paragraph 34 (Non-Appropriation) of the Lease. If the Lease is terminated as a result of Paragraph 34, the Tenant shall reimburse the Landlord the unamortized cost of those Tenant improvements which Landlord has provided pursuant to Exhibit B (a total of \$600,915.00) or \$5,007.62 a month for the months remaining in the lease term plus the unamortized cost of any additional work done by Landlord on behalf of Tenant, unless such work has been paid for in full by Tenant. If the Lease is terminated as a result of Paragraph 34 (Non-Appropriation) of the Lease, Tenant shall also pay to Landlord, within 30 days of such termination, a lump sum payment of \$75,000.

29. FORCE MAJEURE: Neither party shall be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or unsunged power, sabotage, inability to obtain any material, service or financing, through Act of God or other cause beyond the control of either party.

30. GENERAL PROVISIONS:

(A). It is further understood and agreed, that this instrument contains the entire agreement between the parties hereto and shall not be modified in any manner except by another instrument in writing executed by the parties hereto, and that the conditions and agreements herein are binding on, and may be legally enforced by the parties hereto, their executors, administrators, successors and assigns, respectively, and that no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of that condition or agreement or of any subsequent breach thereof, or of this agreement.

(B). Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number in any place herein in which the context may require such a substitution.

(C). In addition to any and all rights and remedies specifically mentioned in this Lease, Landlord and Tenant shall have all rights and remedies granted by law or in equity. Landlord and Tenant shall have the right to compel specific performance by the other party of any and all of the



covenants under this Lease, and the parties hereto recognize the needs of one another for the continued operation of the Leased Premises. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by either party to resort to any or all of its rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of either party in any action or default of the other.

(D). All headings preceding the text of the several paragraphs and subparagraphs of this Lease are inserted solely for convenience of reference, and none of them shall constitute a part of this Lease or affect its meaning, construction or effect.

(E). If any term of this Lease or any application thereof shall be found invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be thereby affected.

(F). This Lease shall be construed and enforced in accordance with the laws of the State of Maryland.

31. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19 of the Montgomery County Code 1984, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures Tenant that in accordance with applicable law, it does not, and agrees that it will not discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

32. CONTRACT SOLICITATION: Landlord represents that it has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling or leasing agencies maintained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

33. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Section 11B-46 or 11B-54 of the Montgomery County Code 1984, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

34. NON-APPROPRIATION: This Lease shall terminate automatically on July 1 of any year for which the Montgomery County Council fails to make an appropriation of funds to pay the rent herein stated. Tenant shall provide Landlord at least thirty (30) days prior written notice of the lack of appropriations. In the event of such a termination, the Tenant shall not make or be entitled to any claim for reimbursement of any kind, either for improvements or prepaid items.

35. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail. Notices to the respective parties shall be addressed as follows:

LANDLORD:

SOLAR BUILDING ASSOCIATES, INC.  
1010 Sherbrook Street, W., Suite 2100  
Montreal, Quebec, Canada H3A2R7

TENANT:

MONTGOMERY COUNTY GOVERNMENT  
Dept. of Facilities & Services  
110 North Washington Street, Room 318  
Rockville, Maryland 20850

36. SUCCESSORS AND ASSIGNS: Subject to the provisions hereof, this Lease shall bind and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

37. ASSIGNABILITY BY LANDLORD: It is expressly understood and agreed that this Lease and all rights of Landlord hereunder shall be fully and freely assignable by Landlord, without notice to, or the consent of, Tenant.

38. MEDICAL-RELATED WASTE REMOVAL: It is expressly understood and agreed that Tenant, at Tenant's sole cost and expense, will be responsible for medical related waste removal including, but not limited to, blood waste. All waste removal shall be in accordance with all applicable Laws and Regulations. Tenant agrees to hold Landlord harmless of and from any claims related to improper removal of medical waste.



IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: *Wanda Kelle*

LANDLORD:

SOLAR BUILDINGS ASSOCIATES, INC.

By: *[Signature]* STEVEN SCHOUER

Date: 7/21/94

WITNESS:

By: *Pearl O. Schlar*

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: *Alastair W. Rutter*

Date: 7/25/94

APPROVED AS TO FORM & LEGALITY:

By: *[Signature]*  
Office of the County Attorney

RECOMMENDED BY:

*[Signature]*  
Gloria W. Kratz, Chief  
Real Estate Management

1335Pcc.LSE